

## **MINUTES**

### **MONTANA SENATE 56th LEGISLATURE - REGULAR SESSION COMMITTEE ON STATE ADMINISTRATION**

**Call to Order:** By **CHAIRMAN MACK COLE**, on April 13, 1999 at 10:00 A.M., in Room 331 Capitol.

#### **ROLL CALL**

**Members Present:**

Sen. Mack Cole, Chairman (R)  
Sen. Don Hargrove, Vice Chairman (R)  
Sen. Jon Tester (D)  
Sen. Jack Wells (R)

**Members Excused:** Sen. Bill Wilson (D)

**Members Absent:** None.

**Staff Present:** Keri Burkhardt, Committee Secretary  
David Niss, Legislative Branch

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted:  
Executive Action: HB 350, HB 670

#### **EXECUTIVE ACTION ON HB 350**

**Discussion:**

***{Tape : 1; Side : A; Approx. Time Counter : 10:07}***

**Mr. Niss** explained, the HB035004.adn version was voted on yesterday **EXHIBIT(sts80a01)**. Paragraph 5, at the bottom, is the addition that was requested in concept by **SEN. WELLS**. Paragraphs 1 through 4 have been voted on specifically and Paragraph 5 has been voted on conceptually. The other amendments, HB035002.adn version, is what **SEN. WELLS** requested yesterday, which require the filing of the report by a particular date, but change the

statute to say that the campaign treasury doesn't have to be closed by the date of the report **EXHIBIT(sts80a02)**. Therefore, the candidate can still use his or her own money to pay debts up to 120 days after the filing of the closing report. The two versions work well together because, as you can see by the Paragraph 5 at the bottom of the HB035004.adn version, the prohibition does not apply to the contribution of the candidates own money. Both of the amendments work together in that respect.

**Motion:** SEN. WELLS moved that HB 350 BE CONCURRED IN.

**Motion/Vote:** SEN. WELLS moved that the HB035002.adn AMENDMENTS BE ADOPTED. Motion carried 4-0.

SEN. HARGROVE stated, I have another amendment. We had a discussion about the money for the computers and I mentioned that there was a bill, HB 258, that transfers \$200 thousand from a judiciary account that has some money left over. I am going to move to include that appropriation in this **EXHIBIT(sts80a03)**. Any unused funds will revert back to the General Fund if they are not used in the biennium.

**Motion/Vote:** SEN. HARGROVE moved that HB 350 BE AMENDED to include an appropriation. Motion carried 4-0.

SEN. TESTER said, I think much of this bill is going to discourage some people from running, if you look at it as a new candidate to the process. I think it will affect both parties equally. The real impetus behind this bill is found in the part that talks about unlimited donations by a political party. I like SEN. HARGROVE's amendments concerning the internet, as long as it is funded I think it is a good idea. It brings more sunshine and I think it is livable because it doesn't put anymore impetus on the candidate than just reporting it to the commissioner. I suggest leaving that part in and the part about the unlimited contributions by the party, but I do not agree with it. Ultimately, I want people to be able to run for office and not get caught up in technicalities. I think we are adding more hoops and I don't like that, from a candidate standpoint. I don't think more hoops are going to make a person any more or less honest in their reporting. The hoops we have are adequate. I think the rules are there. If we are trying to not have parties shoveling out money in different directions then lets do that, but lets not stop good honest people from wanting to be in this process. I would recommend that we amend everything out except the section that deals with the parties and the section that deals with the internet site.

**SEN. HARGROVE** asked, which sections do you want to amend out?

**SEN. TESTER** replied, everything after Section 4. I don't see the necessity of it.

**SEN. COLE** asked, are you proposing to delete Sections 5, 6, and 7? **SEN. TESTER** answered, yes, leave it the way it is, the way the surplus campaign funds are remedied and the way the disclosure expenditures are currently made by the candidate. In Section 5, the part that makes it ten days after the election is not a big deal.

**SEN. HARGROVE** said, I don't disagree with **SEN. TESTER**. The other sections, Section 6, 7, 8, 9, and 10 are all current law with very few changes in it. I have a feeling by getting rid of most of the campaign current law we would probably kill the bill in the House.

**SEN. TESTER** stated, my intent is to leave the law the way it is now. We are going to strike Sections 5, 6, and 7 from the bill, but it will remain in statute the way it is now. There are very few changes in there and that is why I don't see the necessity in them. I don't see where the changes that are there are going to shed more sunshine. The part that intimidated me more than anything else when I was campaigning was making sure my books were right. I think we should be encouraging new people in the political scene, especially with term limits, and I think this inhibits that somewhat.

**SEN. HARGROVE** said, I think the sponsor's requirements would be going along with what **SEN. TESTER** said. I am uneasy about losing this bill at this point. I would just leave it the way it is with the amendments that we put on it. I feel that we have addressed most of the things. I would resist striking those sections from that standpoint.

**SEN. WELLS** stated, I don't think we are adding that many hoops for people to jump through. I think there will be less hoops when you consider that we don't have any primary and general elections to try and keep separated. I prefer to have some hoops. I prefer to have people who are willing to go through a little trouble to run for office rather than opening it up to almost everyone because I don't think we would get good law if we don't have dedicated people who are willing to work hard to get here. If we open it up to anybody than we open up the system to a little more recklessness. I prefer the bill the way it is now.

**SEN. TESTER** said, the way the system is now, if you're not committed to what you are doing, not only will you not win, you will be embarrassed. The way the system is currently set up, it

takes a tremendous amount of commitment by a candidate and to increase that is not right.

**Motion/Vote:** SEN. WELLS moved that HB 350 BE CONCURRED IN AS AMENDED. Motion carried 3-2 with SEN. TESTER voting no. SEN. WILSON voted no by proxy.

SEN. THOMAS will carry HB 350.

#### EXECUTIVE ACTION ON HB 670

*{Tape : 1; Side : A; Approx. Time Counter : 10:25}*

Dr. Peter Blouke, Director, Department of Commerce, came in to answer questions from the committee.

SEN. HARGROVE stated, the people who talked about the bill, including the Coordinator of Indian Affairs, said the reason they were trying to pass HB 670 is because the Department of Commerce isn't doing these things so they want to. Would you comment on that?

Dr. Blouke said, I anticipated that question so I put together some information for you. I think the issue is not so much that we are working with Native Americans, because we expend a pretty substantial amount of our resources with Native Americans and Native American communities. The issue basically is, we don't deal with the tribes. This is about the relationship between the Department of Commerce and the tribes rather than our providing services, resources, technical assistance, and funding. Our Community Development Block Grant (CDBG) shows the number of projects that we funded on reservations are pretty extensive. We haven't dealt on a tribal to department basis. In part that is simply a matter of resources. If you deal with one tribe then you have to deal with seven tribes. I think the intent of the sponsor is to try and create a vehicle that would provide some resources and some visibility to the state's interaction with the tribes. The issue is not whether we are providing services on the reservations but are we dealing with the tribes. You get into a host of complicated cultural and legal issues. I am more than willing to work with them.

When REP. JUNEAU came over to the Department they had a number of the tribes there to talk to us about economic development. They have horrendous issues on those reservations and it is a long standing problem. For example, when we went out doing the jobs and income, we had focus groups all over the state and we invited representatives from the tribes. In the 22 focus groups I think

we may have had two representatives that actually came and participated in those focus groups. I committed to **REP. JUNEAU** after the session, that I would set up at least three focus groups specifically for tribes and Native Americans around the state to begin looking at how we can deal with some of these issues. I had the same frustration when I was at the Department of Health and Human Services. They have horrendous economic needs and even more horrendous social needs. I don't mean to discourage the bill, we are more than happy to work through some of these issues. Strong tribes are good for the state and they are Montana citizens.

**SEN. HARGROVE** took chairman position. **SEN. COLE** had to leave the meeting.

**SEN. HARGROVE** said, it seemed to me that, basically, they wanted these extra people to work on grant applications and that seemed to be the entire focus. I wasn't real comfortable in whether they were going to work with you, supposing this was passed. I suggested that should be the way it works. Is your difficulty in doing these sorts of things man power and full time employee? If they did it, do you think they would be productive?

**Dr. Blouke** replied, there are a number of ways that we could address what I think is being asked for in this bill. I don't think they are fully aware of the complexity of applying for federal grants. I have seen the list of the federal grants and the chance of getting some of those, I am not prepared to say that it is going to be highly successful. It takes some resources in order to pursue those grants. We would have to devote some of our resources from some of the ongoing programs, that we think are very valuable, to pursue these sorts of grants, because they are very time consuming. I think personally, there is a lot of dialogue, that needs to take place between the department and the tribes to work through some of the trust issues and differences before we are really going to be productive.

**SEN. WELLS** stated, in current statute, under functions of the Department of Commerce, it says, "the Department shall provide coordinating services to head state and local groups and Indian Tribal Governments in the promotion of new economic enterprises and conduct publicity and promotional activities in connection with new economic enterprises". From what was said during the hearing and from what you have said, you haven't been able to do much of that. Do you think if they appointed some people, like **REP. JUNEAU**, to solicit your assistance, you could pursue that a little more? Could you put a little bit of emphasis to assist them in coordination with the Tribal Business Information Centers

(TBIC), because the TBIC testimony indicated they have the capability to show these people how to write grants and pursue these types of things? There has to be some initiative on their part. If they had incentive to do that, do you see that you could participate with them in that and perhaps achieve some of the objective of this bill?

**Dr. Blouke** said, definitely. I don't want to put it all off on the tribes, we have been derelict to a certain extent. Whether our jobs and income program passes, I am still committed to going out and seeking some of the answers to how we can better establish the communications, the trust, and the relationship that I think is fundamental to moving forward with some economic development issues. It took us a year and a half to put together our jobs and income proposal and the Vision 2005. It is hard in a legislative session to sit down and craft meaningful long-term systemic changes and I think this is a worthwhile project for the next biennium. We can come back to the next legislature and say, we have worked on it and we collectively believe these are some of the things that can be done to enhance it. I am more than willing and committed to doing that.

**SEN. TESTER** stated, the bill puts in another group of people to do a job, that from what we have read, should be handled by the Department of Commerce. They came in with a huge notebook of federal grants that are available and I assume that they want to tap into a certain percentage of those. How many people would you anticipate needing to do something like that for the tribes? I know you already stated that your man power was thin and I don't know if you have an full time employee (FTE) to spare.

**Dr. Blouke** replied, no we don't. If you are going to go through that whole list of federal programs and just focus on tribes, it would probably take two people.

**SEN. TESTER** asked, what do you think the Department could do to help initiate the communication? **Dr. Blouke** said, I have already committed to going around and setting up at least three meetings, specifically for tribal Native American economical issues. With jobs and income, we went out initially and got a whole bunch of ideas back, sifted through those, and sent them back out to the people that we had met with. We did about three iterations before we came up with some specific issues and recommendations. Then we began to look at strategies for addressing those and I believe that we need to go through the process with the tribes. The tribes are important and tribes are the focus of the bill, but there is a substantial number of Native Americans who live off the reservations that have some fairly significant economic

problems too. I don't know how we need to address them, but that is another issue we can address as part of this overall strategy.

**SEN. TESTER** asked, when you get these groups together, do you anticipate that as the first step in developing a tribal plan?

**Dr. Blouke** said, yes, we supported the bill and the administration is supportive of the bill.

**SEN. HARGROVE** stated, it is almost lost at the very end of the duties and responsibility of the commission, help the Department of Commerce to fully implement the provisions of 91-105. Provision 91-105 is functions of the Department and everything is listed there. Thank you **Dr. Blouke**.

I would like to move that up to number one. From what **Dr. Blouke** said and with the state of affairs on the reservations I would find it hard to not vote for this.

**Motion:** **SEN. TESTER** moved that **HB 350 BE CONCURRED IN**.

**Discussion:**

**SEN. TESTER** stated, one of the main reasons I am going to support this is that we would probably have to put the money in the Department of Commerce anyway to fill the positions. I don't claim to know a lot about what is going on in the reservations and the programs but from what I have heard in the last few days, there are a lot of different entities out there trying to do the same thing and hopefully, sometime in the near future, the Native American people and the Department of Commerce will get together and funnel their objectives under one roof. I think it would behoove both departments and would put the responsibility back on the Department of Commerce, which is where it really needs to be.

**SEN. WELLS** said, I think the Department of Commerce is where the concentration should be put also. This bill does not do that. I think the objective of this, the idea of getting out to grab these grants, is a bit premature. There was indications from **Director Blouke** that there is a lot of ground work, timing, and long-term effort that needs to be put into this and he is taking steps to begin this process. I think we have brought attention to the problem that was lacking before and now that we are drawing attention to it, perhaps they will find the time and ability to devote some effort to it. Until they establish the communication and coordination between the Department, the Indian Affairs Coordinator, and the Tribal Governments, I don't like the idea of adding two more FTEs to start applying for grants. I am not particularly in favor of the bill at this point. I certainly

agree that there is a need out there, but I think this is not the approach to solve that need.

**SEN. HARGROVE** asked, would it be appropriate for us to require periodic reports from the Coordinator of Indian Affairs, on the progress, to the appropriate interim committee for the next interim? If we pass this we need to insist on legislative oversight and that there is progress. Would that be an appropriate thing to do?

**David Niss, Legislative Staff**, asked, in place of the current text or in addition to the current text? **SEN. HARGROVE** replied, I am not sure. I would like to pass the bill and say somewhere in here that there will be periodic reports to the interim oversight committee. I don't see anything in here that provides oversight. I was going to say "report to the next legislature" and add a sunset provision, but we do that too much. If we have some oversight in here, the committee will have a report and recommendations for the next legislature.

**Mr. Niss** said, that is one of those issues that is on the edge, as to whether it is included within the text of the existing bill. I think it falls on the side of the line where it can be included. I need to talk to you about what exactly you are going to require in the amendment.

**SEN. HARGROVE** stated, I want the Office of the Coordinator of Indian Affairs to report progress, concerning the commission created by **HB 670**, to the interim committee. I don't know how often they are going to meet and whether we should try to pin that down.

*{Tape : 1; Side : B; Approx. Time Counter : 10:48}*

**George Oshensky, Confederated Salish Kootenai Tribes**, said, if you are going to do that, you should make it specific so that we have some knowledge that can be passed on to those that will follow in our footsteps. The current Indian Affairs Coordinator may be gone by June, so if they are going to report, rather than say progress, why don't we require a list of contacts and grants applied for so we can really see if this is working or not. If this doesn't work then we want to change it or we don't want to do it anymore. I would ask them specific things like, what did you get, what did you apply for, success ratio, who did you talk to, how many tribes are involved, are the TBICs working with you, that kind of stuff. Then those who follow will know where the mistakes were made and what succeeded.



**SEN. HARGROVE** said, I appreciate that comment. I am not sure if that gets into the realm of micro-management. It is the function of the interim committee to ask questions.

**SEN. TESTER** stated, whoever is on the interim committee needs to address that. It is incumbent upon them to address what they want in the report. The points you made are exactly right and need to be included. I think the interim committee will demand that they are included.

**Mr. Niss** said, the only issue is whether you want to vote the amendment in concept.

**SEN. TESTER** said, I am fine with that.

**Motion/Vote:** **SEN. HARGROVE** moved that **HB 670 BE AMENDED. Motion carried 3-0.** **SEN. WILSON** was excused and **SEN. COLE** was not present during this portion of executive session.

*{Tape : 1; Side : B; Approx. Time Counter : 10:51}*

**Motion/Vote:** **SEN. HARGROVE** moved that **HB 670 BE CONCURRED IN AS AMENDED. Motion carried 2-1 with SEN. WELLS voting no.** **SEN. COLE** and **SEN. WILSON** were not present.

**SEN. JABS** will carry this bill.

**Mr. Oshensky** said, I have a comment to address the concerns of **SEN. WELLS**. We put this in the Office of Indian Affairs because the Indian people don't have a very good working relationship with the Department of Commerce. We put it in an office that they trust because they contact it all the time.

**SEN. HARGROVE** stated, hopefully they will be able to work together. It was plain to this committee that they haven't been doing that very well. The oversight committee should be able to figure that out.

**Mr. Oshensky** said, I know the people I represent appreciate you getting that point across to **Dr. Blouke**. I think it is important that the legislature expresses its will.

**ADJOURNMENT**

Adjournment: 10:54 A.M.

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SEN. MACK COLE, Chairman

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KERI BURKHARDT, Secretary

MC/KB

**EXHIBIT** (sts80aad)